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Forgiveness in Leader-Member Exchange (LMX) Relationships: Mediating and Moderating Mechanisms

Abstract

Guided by the relationship science literature, we developed and tested a model of forgiveness in LMX relationships across three independent studies. Study 1 utilized a sample of 254 employees from eight organizations located in four countries and showed that higher quality LMX led to higher job satisfaction and subjective well-being via greater follower's forgiveness and subsequent follower's relational efforts. Building on Study 1, Study 2 (N = 95) adopted an experimental scenario design in order to examine the association between LMX and forgiveness as well as the moderating role of forgiveness climate. LMX was found to positively affect forgiveness and forgiveness climate was found to be a significant moderator. Study 3 was a time-lagged study that utilised a sample of 262 working professionals in the US and provided support for our hypothesized model. Overall, our three studies cast light on forgiveness processes in LMX relationships and show that forgiveness can be used as a relationship maintenance strategy that yields positive outcomes.

Practitioner points:

- Managers and HR representatives should promote forgiveness via trainings and interventions in order to gain the positive outcomes of job satisfaction and subjective well-being following interpersonal transgressions in organizations.

- Forgiveness climate can act as a contextual moderator that facilitates forgiveness in leader-follower relationships. Therefore, organizations should create environments that encourage forgiveness and relationship repair across all levels of their hierarchy.

Forgiveness in Leader-Member Exchange (LMX) Relationships: Mediating and Moderating Mechanisms

Relationship conflict, although commonplace in organizational life, has serious implications for individual, interpersonal and organizational outcomes such as performance, engagement and retention (De Dreu & Weingart, 2003; Ren & Gray, 2009). A relationship of particular interest in this regard is that between a leader and a follower as it is characterized by high levels of interdependence and thus is more vulnerable to the damaging effects of transgression incidents, especially when perpetrated by the leader (Fincham, 2000; Thomas, Martin, Epitropaki, Guillaume, & Lee, 2013). For example, Shapiro, Boss, Salas, Tangirala, and Von Glinow (2011) have documented a typology of eight leader transgressions (absenteeism/negligence of duty, verbal or physical abusiveness, discrimination, dishonesty, incompetence, interpersonal sabotage, and miscellaneous) that are frequently experienced by followers. This raises the important question as to how leader-follower relationships can be maintained or repaired in the face of such damaging leader transgressions.

Surprisingly, Leader-Member Exchange (LMX) theory, the predominant approach for understanding leader-follower relationships, has remained silent on the need for relationship maintenance and repair behaviors. LMX theory has mainly assumed that norms of social exchange behaviors, established in early phases of the relationship, should suffice for LMX quality to be maintained throughout the course of the LMX relationship (Epitropaki, Martin, & Thomas, 2017). This is despite authors such as Ferris et al. (2009) describing relationship development as likely being marked by change and expansion with already established relationship quality likely being re-evaluated and vulnerable to change through enhancement

or deterioration. As such, calls have been made for researchers to examine how LMX relationships, beyond the formative stage, are maintained (e.g., Erdogan & Bauer, 2014; Martin, Epitropaki, Thomas, & Topakas, 2010; Nahrgang, Morgeson, & Ilies, 2009).

Accordingly, in this paper we draw on theory from the multidisciplinary literature on relationship science (for a review see Berscheid & Reis, 1998) which provides a comprehensive account of relationship maintenance processes, that can be fruitfully applied across all kinds of interdependent relationships (see Thomas et al., 2013). In particular, interdependence theory and the investment model (Rusbult, 1980) distinguish between cognitive mechanisms that are pre-emptive by nature (e.g., benign attributions that minimize the seriousness of an offence) and behavioral mechanisms (e.g., forgiveness) that are more reactive and effortful. Given that in the current research we are interested in more serious transgressions that cannot be easily accommodated or explained away, our focus is on the use of forgiveness as a mechanism for maintaining LMX quality at the desired level.

Like others, we define forgiveness in dyadic relationships as the process that enables individuals to abandon their negative responses following interpersonal offences and instead respond positively (Fincham, 2000). Specifically, we focus on two important kinds of follower forgiveness in LMX relationships. In Studies 1 and 3 we examine the general tendency to forgive across a wide variety of leader transgressions, while in Study 2 we examine the specific act of forgiving a serious transgression (i.e., the leader taking credit for the follower's work). Guided by both LMX and interdependence theory, we reason that because followers in high quality relationships have invested heavily in their relationships and are dependent upon the leader for the provision of important resources (Wilson, Sin, & Conlon, 2010) they will be more inclined to forgive a leader's transgressions (Epitropaki et al., 2017). Moreover, in line with both interdependence theory and the forgiveness literature we focus specifically on follower forgiveness of leader transgressions as followers are

typically more dependent on leaders and possess less power, and thus are more likely to adopt forgiveness as a relationship maintenance strategy (Bies, Barclay, Tripp, & Aquino, 2016; Fehr & Gelfand, 2012).

Our research offers three important contributions. First, we adopt a novel theoretical framework by integrating interdependence theory and LMX theory, and in so doing advance our understanding of how and when forgiveness can be used as an effective relationship maintenance strategy within LMX relationships. To date, LMX theory and research has essentially overlooked the need for relationship maintenance behavior in order to sustain LMX quality at its desired level. As such, our research addresses the frequent calls for researchers to go beyond the formative stages of LMX development and examine how established relationships are maintained in the face of relationship conflict and transgression incidents (e.g., Erdogan & Bauer, 2014; Martin et al., 2010). Second, guided by Rusbult's (1980) investment model, which like LMX is built upon the principles of social exchange, we examine the underlying process through which forgiveness unfolds in LMX relationships. In so doing, we extend LMX theory by showing that in the face of leader transgressions, followers in higher-quality LMX relationships routinely go beyond the norm and engage in new kinds of social exchange behaviors (e.g., forgiveness and extra relational efforts), which in turn leads to better outcomes. Finally, based on Fehr and Gelfand's (2010) conceptualization of organizational forgiveness climate, we highlight the importance of a strong forgiveness climate for facilitating forgiveness in high-quality LMX relationships. As such, we extend knowledge by examining an important contextual moderator of forgiveness in LMX relationships.

Theoretical Background and Hypotheses Development

Forgiveness and LMX

Forgiveness, characterized as a prosocial change toward the offender (McCullough, 2000), may facilitate relationship repair as it promotes pro-relationship responses after transgressions (e.g., Fincham & Beach, 2002; Karremans & Van Lange, 2004). The dual nature of forgiving involves reducing negative motivations and increasing positive ones (Fincham, Hall, & Beach, 2005). Namely, the freely chosen prosocial motivation enables a victim to overcome the desire to seek revenge and avoid contact with a transgressor, and, instead, to expand positive thoughts, feelings and behaviors (Fincham, 2000; Worthington & Scherer, 2004). Therefore, forgiveness can be conceptualized in terms of the transformation of motivation since it involves broader considerations, such as pursuit of relationship well-being or the willingness to promote both one's own and a partner's well-being (Karremans, Van Lange, Ouwerkerk, & Kluwer, 2003).

Compared to other relationship repair mechanisms (e.g., Gillespie & Dietz, 2009) forgiveness has a number of superlative facets such as a positive dimension, immunity to external stimuli and critical awareness of its process. Namely, not only does forgiveness diminish the urge for negative responses following transgressions, but it also triggers positive, pro-relationship responses. Forgiveness is an *intra*-personal process that does not necessarily require a transgressor response such as an apology, explanation or amends. Even though these actions can certainly enhance forgiveness, an individual can fully forgive offenses in the absence of these acts. Lastly, most repair mechanisms imply that the relationship is routinely restored to the pre-transgression state. Forgiveness, on the other hand, does not imply reconciliation with the transgressor. It is possible to completely forgive a transgressor, and yet decide not to reconcile with them. Importantly, the forgiveness literature recognizes the need to contextualize forgiveness (Fincham, 2015), so that the victim reconciles only those relationships that do not involve potential threats in the future.

Recently, Thomas et al. (2013) drew a parallel between close non-work relationships and leader-follower relationships by emphasizing that *interdependence* between partners underpins both kinds of relationships (Kelley et al., 1983). They further argued that the key features of the investment model (Rusbult, 1980) applied in close relationships (i.e., relationship satisfaction level, quality of alternatives, and investment size) could also apply to LMX relationships. First, features of a high-quality LMX relationship such as high trust, loyalty and feelings of liking and respect (Graen & Uhl-Bien, 1995) are likely to generate high levels of relationship satisfaction. Second, the non-voluntariness of interaction in LMX relationships makes the quality, or rather, the availability of alternatives low both for leaders and followers. Namely, the nature of relationships in organizations restricts employees' free choice of their co-workers, leaders and subordinates. Third, the increase in resources that the leader and member exchange over time in a high-quality LMX relationship (e.g., information, rewards, performance) is comparable to the growth of investments that partners make in their close relationships over time (e.g., identity, mutual friends, material goods).

As the satisfaction level and investment size increase and the quality of alternatives decrease in LMX relationships, a leader and member become more dependent on one another. Dependence generates the psychological experience of commitment which encompasses the intent to persist, long-term orientation and psychological attachment. Commitment, in turn, facilitates the transformation of motivation which involves moving away from given preferences based on immediate self-interests and instead acting on the basis of broader considerations. Based on this reasoning, the higher the quality of the LMX relationship between a leader and a follower, the more likely they will engage in relationship maintenance behaviors in order to protect their investment. That said, dependency seems to be greater for followers than leaders because of the inherent power differential (Snodgrass, Hecht, & Ploutz-Snyder, 1998). Power asymmetries make transgressions more salient for

followers than leaders. Therefore, we have focused on the LMX relationship repair process from the follower's perspective in the present research.

Given that forgiveness involves pro-relationship transformation, it seems that an important determinant of forgiveness is the level of relational commitment (Fincham & Beach, 2013; McCullough, 2000; McCullough et al., 1998; Rusbult, Olsen, Davis, & Hannon, 2001). Indeed, abundant empirical evidence shows that these two constructs are positively related (Karremans et al., 2003; McCullough et al., 1998) including meta-analytic (Fehr, Gelfand, & Nag, 2010) and experimental evidence (Finkel, Rusbult, Kumashiro, & Hannon, 2002). Research has demonstrated that relationship satisfaction and relationship closeness also positively affect forgiveness. A meta-analytic study found a positive association between relationship satisfaction and forgiveness (Fehr et al., 2010). Another study found that marital quality predicts later forgiveness (Paleari, Regalia, & Fincham, 2005).

Taken together we propose that employees who enjoy higher levels of LMX quality, characterized by higher levels of dependence and thus higher levels of relationship commitment, are more likely to reach the transformation of motivation and forgive leader's transgressions. Therefore,

Hypothesis 1: The quality of follower's LMX relationship will be positively related to follower's forgiveness of leader's transgressions.

Kelley and Thibaut (1978) introduced the concept of transformation of motivation, a relationship-specific form of self-regulation where a partner constrains responses that maximize their own short-term interests and, instead, responds in ways that maximize long-term relationship goals. In the broader psychological literature, self-regulation has been conceptualized as adjusting behavior to constrain a dominant response, usually for the sake of longer term goals (Muraven & Baumeister, 2000). Expanding these two ideas, Wilson,

Charker, Lizzio, Halford, and Kimlin (2005) introduced the concept of *behavioral self-regulation* in romantic relationships. Contrary to previous conceptualizations of self-regulation which comprehensively target behavior, affect and cognition, Wilson et al. (2005) specifically referred to behavior that displays a voluntary effort to improve one's romantic relationship.

Participants in LMX relationships, like partners in close relationships, are prone to experiencing the transformation of motivation following transgressions. Since forgiveness activates positive responses after relationship transgressions, it is not surprising that individuals with a high tendency to forgive are more likely to self-regulate in order to improve their relationship (Braithwaite, Selby, & Fincham, 2011). Therefore, it is expected that followers who are more likely to forgive transgressions in their LMX relationship are subsequently more likely to engage in relational efforts. Hence,

Hypothesis 2: Follower forgiveness will be positively related to followers' efforts into maintaining the relationship with their leader.

Forgiveness Outcomes and Mediating Mechanisms

The outcomes of forgiveness in organizations have recently received scholarly attention. Job satisfaction, for example, has been shown by Cox (2011) to be a key outcome of forgiveness. She examined the relationship between the specific aspects of forgiveness climate and individual's willingness to forgive and found that willingness to forgive was positively associated with one's job satisfaction. Relationship satisfaction is also important in this context. Guided by the Investment Model (Rusbult, 1983) and McCullough et al's (1998) framework of forgiveness, forgiveness is predicted to have beneficial consequences on the relationship in which it occurs, such as higher relationship satisfaction, greater cooperation and more positive and less negative behavior towards the offending partner. Consistent with

this logic, empirical studies on close relationships have shown that the tendency to forgive a romantic partner increases relationship satisfaction (Paleari, Regalia & Fincham, 2005) via increased relational efforts (Braithwaite et al., 2011). Given that relational efforts in close relationships enhance relationship satisfaction, and considering the fact that satisfaction with one's supervisory relationship contributes to one's job satisfaction (e.g., Epitropaki & Martin, 2015), we further propose that forgiveness will increase one's job satisfaction via relational efforts in LMX relationships.

Subjective well-being is also a relevant outcome. It is viewed as a broad category of phenomena that includes people's emotional responses, domain satisfaction and global judgments of life satisfaction (Diener, Suh, Lucas, & Smith, 1999). Different aspects of this multifaceted construct include state self-esteem, positive affect, negative affect and life satisfaction. Whereas self-esteem refers to a cognitive evaluation of the self (Rosenberg, 1979), and life satisfaction to a cognitive evaluation of one's life situation, moods and emotions, together labelled as positive and negative affect, refer to people's evaluations of events that occur in their lives (Diener et al., 1999).

In addition to its purported relational benefits, McCullough and colleagues have extended their framework of forgiveness to incorporate the psychological well-being of the forgiver. For example, Bono, McCullough and Root (2008) argue that forgiveness in close relationships allows people to regain access to important material and emotional resources that supportive social ties can provide, resulting in better well-being. Moreover, guided by interdependence theory, forgiveness is predicted to reduce psychological tension (Karremans et al., 2003) and rumination (McCullough et al., 1998), which in turn should enhance life-satisfaction and self-esteem and decrease negative affect (McCullough, Root, Tabak, & Witvliet, 2009). Relatedly, numerous studies in the counselling and close relationships literature have shown that forgiveness leads to better psychological well-being (Bono,

McCullough, & Root, 2008; Brown, 2003; Freedman & Enright, 1996; McCullough et al., 2009; Muñoz Sastre, Vinsonneau, Neto, Girard, & Mullet, 2003; Toussaint, Worthington, & Williams, 2015). Finally, meta-analytic evidence has found a negative association between forgiveness and negative affect, while higher levels of forgiveness were associated with greater life and positive affect (Riek & Mania, 2012). Taken together this evidence suggest that forgiveness enhances subjective well-being.

Given that forgiveness in close relationships leads to improved subjective well-being (Karremans et al., 2003; Riek & Mania, 2012) and seeing that relational efforts mediates the link between forgiveness and relationship satisfaction (Braithwaite et al., 2011), it is proposed that forgiveness will lead to increased subjective well-being via relational efforts in LMX relationships. Accordingly,

> *Hypothesis 3*: Follower efforts into maintaining the relationship with their leader will mediate the relationship between follower forgiveness and job satisfaction and subjective well-being.

We further argue that the well-established positive influence of follower's LMX quality on job satisfaction and well-being (e.g., Epitropaki & Martin, 2015; Martin et al., 2010) is mediated by follower's forgiveness and relational efforts - in a serial manner. As noted previously, LMX relationships are comparable to close relationships in that they both entail high levels of commitment that facilitate follower's transformation of motivation and lead to forgiveness. Recently, it was found that willingness to forgive in an organizational context was positively associated with job satisfaction (Cox, 2011). Research in close relationships has also found that the association between forgiveness and relationship satisfaction was mediated by relational efforts (Braithwaite et al., 2011). In the light of the above, it is predicted that a high quality LMX relationship will positively affect forgiveness

which will, in turn, increase follower's relational efforts. Increased relational efforts will subsequently be associated with enhanced follower's job satisfaction.

In a similar vein, the relationship between LMX and subjective well-being is expected to be indirect, operating through follower's forgiveness and relational efforts. Karremans et al. (2003) found that forgiveness was associated with enhanced subjective well-being. Braithwaite et al. (2011) showed that forgiveness in close relationships was positively associated with relational efforts. Using the principles of the investment model, close relationships could be equated with high quality LMX relationships. Consequently, forgiveness in high-quality LMX relationships will be positively associated with relational efforts, which will in turn lead to enhanced subjective well-being. Accordingly,

> *Hypothesis 4:* The quality of follower's LMX relationship will indirectly influence follower job satisfaction and subjective well-being via forgiveness, which will in turn influence relational efforts.

Forgiveness Climate as a Moderator

Interpersonal motivations involves social norms or group-based inclinations to respond to specific interdependence situations in a specific manner, either while interacting with various partners or within the context of a given relationship (Rusbult & Van Lange, 1996). Rusbult and Van Lange (1996) noted that interdependence theory identifies three manifestations of the existence of norms: (1) regularity of behavior can be observed; (2) when such regularity is interrupted, the injured party frequently attempts to regain control by appealing to the norm, and (3) the norm-breaker often feels guilty about having broken the norm (Thibaut & Kelley, 1959). Interdependence principles are relevant to group processes since the analysis of individual-group relationships can be performed by characterizing a group as the product of the preferences and behaviors of its members (Rusbult & Van Lange,

1996). As interdependence theory (Kelley & Thibaut, 1978) suggests that properties residing both *within* and *between* actors could explain behavior, it is likely that social norms such as forgiveness climate in organizations will affect follower's forgiveness.

Forgiveness climate is defined as "the shared perception that empathic, benevolent responses to conflict from victims and offenders are rewarded, supported and expected in organizations" (Fehr & Gelfand, 2012, p. 666). Like other climate constructs, forgiveness climate involves employee perceptions of the behaviors that are routinely displayed and are supported by the organization (Schneider, Ehrhart, & Macey, 2011). According to Fehr and Gelfand (2012), forgiveness climates seem to emerge from three core cultural values, namely restorative justice, compassion and temperance. These values are institutionalized via leader attributes of restorative justice orientation, servant leadership and self-control. Furthermore, the values are institutionalized through organizational practices of restorative dispute resolution, employee support programs and mindfulness training and appraisal (Fehr & Gelfand, 2012). Previous studies have shown that various conceptualizations of climate moderate the association between LMX quality and outcomes. For example, the relationship between LMX quality and workplace friendship was moderated by affective climate such that when the affective climate was strong, high-quality LMX relationships were associated with enhanced workplace friendship among employees (Tse, Dasborough, & Ashkanasy, 2008). Furthermore, the association between LMX and subordinate safety citizenship role definitions was moderated by safety climate (Hofmann, Morgeson, & Gerras, 2003). Namely, when there was a positive safety climate, high-quality LMX relationships led to extended safety citizenship role definitions, while no such extension occurred under less positive safety climates (Hofmann et al., 2003).

Considering the notion that interpersonal orientations influence habitual transformational tendencies (Rusbult & Van Lange, 1996), and the empirical findings that

climate can enhance the outcomes of LMX relationships, it is predicted that forgiveness climate can enhance follower forgiveness in LMX relationships. In particular, it is expected that follower forgiveness in high-quality LMX relationships will be greater when they are exposed to a high forgiveness climate than when they are exposed to a low forgiveness climate. Therefore,

*Hypothesis 5***:** The relationship between LMX quality and forgiveness will be moderated by forgiveness climate such that the relationship between LMX quality and forgiveness will be stronger when there is a high forgiveness climate.

Integration of Mediating and Moderating Mechanisms

Thus far two major processes in the conceptual model have been outlined. Namely, serial multiple mediation depicts the indirect effects of LMX relationship quality on job satisfaction and subjective well-being via enhanced forgiveness and relational efforts. Additionally, a moderating effect of forgiveness climate is proposed to enhance follower's forgiveness. The integration of these two mechanisms suggests that followers in LMX relationships who are exposed to high forgiveness climate will be more forgiving and thus will engage in more relational efforts that will result in enhanced job satisfaction and subjective well-being. Therefore, it is proposed,

Hypothesis 6: Forgiveness climate moderates the indirect effect of follower LMX quality on follower job satisfaction and subjective well-being (via forgiveness and relational efforts). Specifically, the indirect effect of follower LMX quality with job satisfaction and subjective well-being via forgiveness and relational effort is stronger when forgiveness climate is high compared to when forgiveness climate is low.

Overview of Studies

Three separate studies were conducted to test our hypothesized model. Study 1 was a field study involving eight organizations from Serbia, UK, Australia and Greece and tested Hypotheses 1 to 4. Study 2 used an experimental design to partially replicate the results of Study 1 and establish the temporal ordering of the hypothesized relationship between LMX quality and forgiveness. Furthermore, the experimental study investigated the effect of a group-level orientation (Rusbult & Van Lange, 1996), namely forgiveness climate. The study manipulates the independent variables of LMX quality and forgiveness climate. Study 3 used an online (mTurk) sample of working professionals in the US and tested all five hypotheses. Together, these studies test the full conceptual model presented in Figure 1.

Insert Figure 1 about here

Study 1

Procedure and Participants

Study 1 was conducted in eight organizations in four countries including Serbia, the UK, Australia and Greece. The Serbian sample (N=163) consisted of three organizations; two were from the public sector (N=150) and the third was a private sector organization (N=13). The UK sample (N = 48) consisted of three organizations; two were from a private sector (N= 26) and the third organization was from a not-for-profit sector (N=22). An Australian organization belonged to the public sector (N = 34) and a Greek organization belonged to the private sector (N = 9).

These particular countries were chosen as representative of individualistic, low power distance countries (UK, Australia) and collectivistic, high power distance countries (Serbia, Greece). The distribution of organizations in those countries represents a convenience sample. The implications of sampling for these two pairs of contrasting

countries aims to demonstrate that forgiveness is a universal process that unfolds across countries, sectors and organizations.

A link to an online survey was sent to employees in seven out of eight participating organizations. In the remaining organization, a paper-based questionnaire was distributed. For organizations in Serbia, the questionnaire was translated into Serbian using a method of iterative back-translation (Brislin, 1970). The organization in Greece used the English version of the questionnaire since it is the official language of the organization. The overall response rate across the samples was 64%.

The sample for this study consisted of 254 employees (full time 98.8%). The age of the employees ranged from 21 to 65; the average age was 43.2 years (SD = 10.69). Of the sample, 165 were male (65%). The majority of employees were white (95%) and the average dyadic tenure was 3.73 years (SD = 4.19).

Independent sample t-tests were performed to investigate mean differences between individualistic vs. collectivistic cultural contexts, public and private organizational groups and male vs. female respondents on the main study variables of LMX, forgiveness, relational efforts, job satisfaction and subjective well-being. Statistically significant differences were found between individualistic vs. collectivistic cultures on forgiveness ($t(163) = 3.268$, $p < .01$) and state self-esteem ($t(125) = 3.486$, $p < .01$). Specifically, participants from individualistic cultures reported higher levels of forgiveness ($M = 4.80$) than those in collectivistic cultures ($M = 4.49$) and lower levels of state self-esteem ($M = 3.71$ versus $M = 3.93$). No statistically significant differences were found between respondents from public vs. private organizations as well as between male vs. female respondents on any of the variables of interest.

Measures

LMX quality. LMX quality was assessed with the LMX-7 scale (Graen & Uhl-Bien, 1995; Scandura & Graen, 1984). For all measures we used a 7-point Likert scale with 1 = *strongly disagree* to 7 = *strongly agree,* unless otherwise stated. A sample item is "I feel I know where I stand with my team leader. I know how satisfied my team leader is with me". The cronbach's alpha was .92.

Forgiveness. Forgiveness was measured with a scale developed by Fincham, Beach, Lambert, Stillman, and Braithwaite (2008) which assessed the general tendency to forgive transgressions in romantic relationships. For the purpose of the current research the scale was adapted to the leader-follower context. Respondents rated nine items following the statement "When my team leader wrongs or hurts me…" on a 6-point Likert scale ranging from 1 = *strongly agree* to 6 = *strongly disagree*. Three items assessed avoidance (sample item: "I tend to give him/her the cold shoulder"), benevolence, (sample item: "I soon forgive my team leader"), and retaliation, (sample item: "I find a way to make him/her regret it"). Avoidance and retaliation items were reverse scored. The cronbach's alpha was .78.

Relational efforts. The extent to which respondents made efforts in their relationships was assessed with the Behavioral Self-Regulation for Effective Relationships Scale –Effort Scale (BSRERS-Effort) developed by Wilson et al. (2005). The six-item scale was modified to reflect leader-follower relationships. Responses were made on a 5-point Likert scale ranging from 1 = *not true at all* to 5 = *very true*, and a sample item was "If my team leader does not appreciate the change efforts I am making in our relationship, I tend to give up". The cronbach's alpha was .80.

Job satisfaction. Respondents' job satisfaction was assessed with three items from the Michigan Organizational Assessment Questionnaire (Cammann, Fichman, Jenkins, & Klesh, 1979). The cronbach's alpha was .82 and a sample item was "All in all, I am satisfied with my job".

Subjective psychological well-being. Psychological well-being was assessed with measures of *state self-esteem, positive affect, negative affect* and *satisfaction with life* in order to capture different aspects of this multifaceted construct (Diener et al., 1999; Karremans et al., 2003). *Self-esteem* was assessed with the State Self-Esteem Scale (Heatherton & Polivy, 1991). The scale is composed of twenty items and responses were made on a 5-point Likert scale ranging from 1 = *not at all* to 5 = *extremely.* Cronbach's alpha was .84 and a sample item was "I feel confident about my abilities". *Positive affect* and *negative affect* were assessed with the Positive Affect and Negative Affect Scale – PANAS (Watson, Clark, & Tellegen, 1988). The scale involves rating ten positive feelings, e.g., "excited" (α = .83) and ten negative feelings, e.g., "scared" (α = .88). For each item, respondents were asked to report the degree to which the item described how they were feeling at that moment. *Satisfaction with life* was assessed with a five-item scale developed by Diener, Emmons, Larsen, and Griffin (1985), and a sample item is "In most ways my life is close to my ideal" (α =.87).

Control variables. In order to rule out alternative explanations, we controlled for several variables, including respondents' age, gender, and dyadic tenure with the current leader in months, which is consistent with past studies on LMX (e.g., Liden & Graen, 1980; Maslyn & Uhl-Bien, 2001). Since the data was drawn from both Western and non-Western cultures, it was necessary to control for dimensions of culture. For example, prior research has shown that individualism and power distance are related to both LMX (Dulebohn, Bommer, Liden, Brouer, & Ferris, 2012) and forgiveness (Hui & Bond, 2009; Karremans et al., 2011). Therefore, we controlled for individualism, power distance and uncertainty avoidance using scales developed by Dorfman and Howell (1988). Responses were made on a 5-point Likert scale ranging from 1 = *strongly disagree* to 5 = *strongly agree*. Collectivism was assessed with a six-item subscale that showed a good internal reliability (α = .78), a

sample item was “Group success is more important than individual success”. Power distance was assessed with a six-item subscale (α = .73); a sample item was “Managers should avoid off-the-job social contacts with employees”. The uncertainty avoidance subscale consisted of five items (α = .82) and a sample item was “Managers expect employees to closely follow instructions”. Finally, since forgiveness is a socially desirable construct (McCullough et al., 1998) we measured and controlled for it using a short form of Marlowe-Crowne Social Desirability Scale developed by Reynolds (1982). Respondents were asked to indicate whether each of ten items was *true* or *not true* for them. The cronbach’s alpha was .65 and a sample item was “I always try to practice what I preach”.

Results and Discussion

Preliminary Analyses

Confirmatory factor analysis of the forgiveness scale confirmed the existence of the three first-order factors: avoidance, benevolence and retaliation. A second-order CFA further provided support for one higher order dimension of forgiveness. The results of these analyses are presented in Table 1.

Insert Table 1 about here

Additional CFA analyses were performed to show the empirical distinctiveness of the three key constructs in a measurement model (i.e., LMX quality, forgiveness, relational efforts). As presented in Table 2, the measurement model results support the distinctiveness of the focal variables of the study.

Insert Table 2 about here

Main Analyses

The means, standard deviations, correlations, and reliability estimates for Study 1 variables are presented in Table 3.

Insert Table 3 about here

Data were analyzed using bootstrapping for inference about indirect effects (Hayes, 2009, 2013) in Mplus. As shown in Table 4, regression analysis revealed that LMX quality was positively associated with forgiveness (b = 0.21, SE = 0.09, $p < .05$), thus confirming Hypothesis 1. Forgiveness was positively associated with relational efforts (b = 0.40, SE = 0.07, $p < .001$), thus supporting Hypothesis 2. Relational effort was positively linked to job satisfaction (b = 0.22, SE = 0.07, $p < .01$), state self-esteem (b = 0.16, SE = 0.03, $p < .001$), and positive affect (b = 0.12, SE = 0.04, $p < .01$), and negatively related to negative affect (b = -0.15, SE = 0.04, $p < .01$).

Forgiveness was shown to have a positive indirect effect on job satisfaction (b = 0.13, SE = 0.05, 95% bias-corrected CIs [0.05, 0.23]), state self-esteem, (b = 0.09, SE = 0.02, 95% bias-corrected CIs [0.05, 0.15]), positive affect (b = 0.07, SE = 0.03, 95% bias-corrected CIs [0.02, 0.13]), and a negative indirect effect on negative affect (b = -0.09, SE = 0.03, 95% bias-corrected CIs [-0.15, -0.04]) via relational efforts. Therefore, Hypothesis 3 was supported.

LMX quality was also shown to have a positive indirect effect on job satisfaction (b = 0.03, SE = 0.01, 95% bias-corrected CIs [0.01, 0.07]), state self-esteem, (b = 0.02, SE = 0.01, 95% bias-corrected CIs [0.01, 0.04]), positive affect (b = 0.02, SE = 0.01, 95% bias-corrected CIs [0.01, 0.04]), and a negative indirect effect on negative affect (b = -0.02, SE = 0.01, 95% bias-corrected CIs [-0.05, -0.01]) via relational effort and forgiveness, thus providing support for Hypothesis 4.

Insert Table 4 about here

These findings are in line with predictions by Thomas et al. (2013) which suggested that LMX relationships were comparable with that of close personal relationships. Namely, commitment to the relationship in both high-quality LMX relationships and close relationships facilitates the transformation of motivation and yields forgiveness and subsequent positive outcomes. Study 1 contributes to the leadership domain by demonstrating the role of forgiveness in LMX relationships. Furthermore, Study 1 extended and tested Braithwaite et al.'s (2011) model in a different relationship context. In doing so, the close relationships literature is advanced by demonstrating that applying its generic relationship knowledge to leader-follower relationship is relevant and a fruitful undertaking.

Study 2

Study 1 has provided some important insights on the relationship between LMX and forgiveness but due to its cross-sectional nature could not reliably establish the direction of effects. The intention of the experimental study is to address this limitation by using experimental procedures and further expand the conceptual framework by examining the moderating role of forgiveness climate.

Research Design

A 2 (LMX quality: high vs. low) X 2(Forgiveness climate: high vs. low) independent groups full factorial design was used resulting in four conditions to test hypotheses regarding the effects of LMX quality and forgiveness climate on forgiveness. Experimental conditions were manipulated using a scenario that depicted participants' relationship with their hypothetical manager. This was followed by the description of the manager's offense and

organization's response to the incident. The independent variables were LMX quality and forgiveness climate. The dependent variable was a participant's intention to forgive.

Sample and Procedure

Participants were 95 undergraduate students of business and management at a state university in England. Responses of two participants were excluded from the sample due to concerns that they had not conscientiously completed the survey.

Of the 95 participants, 33 were male (35.5%), 60 were female (63.4%), and 2 did not report their gender. Participants had a mean age of 18.65 (*SD* = .92) and they identified their ethic group as White 33.3% (n = 31), Mixed 5.4% (n = 5), Asian 45.2% (n = 42), Black 15.1% (n = 14), one participant preferred not to reveal their ethic group and two participants did not provide this information. Participants had a mean work experience of 9.6 months (*SD* = 12.28) which included part-time jobs, internships and a placement year.

Participants were recruited in an amphitheater after the lecture without any incentive. After reading the information sheet and giving their informed consent to take part in the study, participants received a handout containing a scenario and a questionnaire. At the end of the scenario, participants provided information about their age, gender, ethnic group, and months of work experience.

Variable Operationalization

In order to test the hypothesized relationships, a scenario that includes the LMX quality manipulation, description of the offense and forgiveness climate manipulation was developed. Each condition contained two manipulations: participant LMX quality (High, Low) and organizational forgiveness climate (High, Low). The scenario depicted an offense that enabled the introduction of forgiveness climate and subsequent assessment of

participants' intended forgiveness. Instructions at the beginning of the study asked students to imagine being in the hypothetical situation and answer the questions accordingly.

Leadership has been successfully manipulated using scenario/vignette methodology in several studies (e.g., Chen, Sharma, Edinger, Shapiro, & Farh, 2011; Nübold, Muck, & Maier, 2013; Stouten, van Dijke, Mayer, De Cremer, & Euwema, 2013; van Dierendonck, Stam, Boersma, de Windt, & Alkema, 2014). Since a couple of developed LMX manipulations (Omilion-Hodges & Baker, 2013; Pelletier, 2012) were designed to be used with other media such as bogus feedback on survival tasks, videos, and bogus performance reports, it was necessary to develop an LMX manipulation for a scenario experiment.

LMX manipulation. Participants' LMX quality was manipulated through a description of their relationship with their hypothetical manager Pat Smith. The gender-neutral name Pat and the names of other co-workers was borrowed from Palanski and Yammarino (2011). In order to effectively portray a hypothetical supervisor-subordinate relationship, the manipulation was based on the four dimensions of LMX, namely, contribution, loyalty, professional respect and affect (Liden & Maslyn, 1998). The LMX manipulation is presented in Table 5.

Insert Table 5 about here

Offense. Participants then read a passage describing the offense they had experienced on behalf of their manager Pat: taking credit for others' work. This particular offense was selected for two reasons. First, in his conceptual multi-level perspective on forgiveness in the workplace, Palanski (2012) discusses the practical implications of a justice climate in an organization where there is a history of taking one another's ideas. Second, this type of offense was used previously in a scenario experiment (Karelaia & Keck, 2013; Study 2).

Forgiveness climate manipulation. Participants then read about how the organization reacted to this incident which allowed the introduction of the forgiveness climate manipulation. The construct of climate had previously been manipulated in a scenario (see Aquino, Tripp, & Bies, 2006; Cerne, Nerstad, Dysvik, & Škerlavaj, 2014; Koivisto, Lipponen, & Platow, 2013). The manipulation of forgiveness climate was based on the conceptualization of a forgiving organization proposed by Fehr and Gelfand (2012). The forgiveness climate manipulation is presented in Table 6.

Insert Table 6 about here

Measures

LMX quality. Even though the manipulation was based on the four dimensions of LMX, namely, contribution, loyalty, respect and affect, the LMX-7 scale (Graen & Uhl-Bien, 1995; Scandura & Graen, 1984), rather than LMX-MDM scale (Liden & Maslyn, 1998) was used in order to ensure consistency in measuring the construct across studies and because it consists of fewer items. Previous meta-analytic research has shown that the LMX-7 and LMXMDM measures are comparable (Gerstner & Day, 1997). Every item of the LMX-7 scale made reference to Pat, the gender-neutral name of the manager from the scenario, while the use of personal pronouns was avoided. An example item was "I feel I know where I stand with my manager Pat. I know how satisfied my manager Pat is with me". The cronbach's alpha was .95.

Forgiveness climate. In order to measure forgiveness climate a seven item scale was developed based on the conceptualization of a forgiving organization (Fehr & Gelfand, 2012). Specifically, the items were designed to measure the presence of cultural values of restorative justice, compassion and temperance, and their respective leader attributes and

organizational practices. An example item was “This organization encourages forgiveness”. The cronbach’s alpha was .91 indicating strong reliability.

Forgiveness. The same items used in Study 1 were adapted to measure the specific act of forgiving a transgression based on the work of Fincham et al. (2008). The items were adjusted to reflect the hypothetical reaction based on the scenario of a specific offense committed by the leader. For example, the item “I find a way to make him/her regret it” was modified to “I would find a way to make my manager Pat regret it”. The items were rated on a 6-point Likert scale ranging from 1 = *strongly disagree* to 6 = *strongly agree*. Avoidance and retaliation items were reverse scored. The cronbach’s alpha was .83.

Offense realism. The realism of the experimental design was assessed with the procedure used by Yi, Nataraajan, and Gong (2011). Namely, participants were asked to respond to two items, “I could imagine an actual workplace situation described in the scenario”, and “I believe that the described situation could happen in a real workplace” on 7-point scales ranging from 1= *very unlikely* to 7= *very likely* (Wagner, Hennig-Thurau, & Rudolph, 2009). The cronbach’s alpha was .89. The results suggest that participants perceived the situation described in the scenario as realistic (M = 4.95, *SD* = 1.60).

Results and Discussion

Manipulation check

In order to determine whether the manipulations of LMX quality and forgiveness climate were successful, independent samples t-tests were conducted. As intended, participants rated the quality of their LMX relationship significantly higher in the high LMX (*M* = 5.65, *SD* = .77), than in the low LMX (*M* = 2.41, *SD* = .75) condition, t (91) = 20.60, $p < .001$, d = 4.26. Likewise, participants rated forgiveness climate significantly higher in the high forgiveness climate (*M* = 5.41, *SD* = .88), than in the low forgiveness climate (*M* = 3.16,

SD = .98) condition, t (91) = 11.76, $p < .001$, d = 2.41. Therefore, both the LMX quality and forgiveness climate manipulations were successful.

Main analyses

An independent samples t-test was conducted to evaluate mean differences in participants' forgiveness between the high-quality LMX and low-quality LMX conditions. Hypothesis 1 stated that participants in a high-quality LMX relationship would be more forgiving than participants in a low-quality LMX relationship. The results supported this prediction t (77) = 3.90, $p < .001$, d = 0.82. The mean for high LMX quality was 4.08 (*SD* = .56), while the mean for low LMX quality was 3.46 (*SD* = .91). Following this, a 2 (LMX quality: High vs. Low) X 2 (Forgiveness climate: High vs. Low) between-subjects ANOVA test was performed.

The results showed a significant main effect of LMX quality on participants' forgiveness $F(1, 89) = 20.9$, $p < .001$. The effect size (partial $\eta^2 = .19$) indicated that the quality of the leader-subordinate relationship explained 19% of the variance in the forgiveness measure. Furthermore, the main effect of forgiveness climate was significant $F(1, 89) = 28.78$, $p < .001$, partial $\eta^2 = .24$ indicating that the forgiveness climate manipulation had effectively influenced participants' forgiveness. Moreover, the results showed a significant interaction effect of LMX and forgiveness climate, $F(1, 89) = 4.28$, $p < 0.5$, partial $\eta^2 = .05$, thus supporting Hypothesis 5. The interactive effect of LMX and forgiveness climate on forgiveness is presented in Figure 2.

Insert Figure 2 about here

In order to test the nature of the interaction simple effects analyses were conducted. The results for the high forgiveness climate showed that the contrast was marginally statistically significant at $p < 0.10$, $F(1,89) = 3.17$, $p = .08$, $d = 0.54$, while a statistically significant contrast was found for low forgiveness climate, $F(1, 89) = 21.82$, $p < .001$, $d = 10.73$. Participants in the low forgiveness climate condition were more forgiving when they had a high-quality LMX relationship ($M = 4.08$, $SD = .56$) than when they had a low-quality LMX relationship ($M = 2.95$, $SD = .75$).

The results of Study 2 supported Hypothesis 1 that LMX quality positively influenced forgiveness. The pattern of results did not fully support Hypothesis 5 as strong support was found for the positive effect of LMX on forgiveness under conditions of low rather than high forgiveness climate. This could suggest that a high-quality LMX compensates for a low forgiveness climate following a transgression. While this is an interesting finding it is important to consider the transgression type. In this study we focused on the specific act of forgiving a serious transgression, i.e., taking credit for the follower's work. However, in organizational settings a wide variety of transgressions occur. That is, other types and severities of transgression, including varying degrees of forgiveness climates might have a different impact on follower forgiveness across organizations. This is explored in Study 3.

Study 3

A number of studies have shown that the severity of an offence significantly impacts forgiveness, since more severe transgressions are more difficult to forgive (Boon & Sulsky, 1997; Brose, Rye, Lutz-Zois, & Ross, 2005; Girard & Mullet, 1997; Karremans, Van Lange, & Holland, 2005; Wade & Worthington, 2003). Further to this, Byrne, Barling, and Dupré (2013) found that the severity and nature of transgressions plays a vital role in granting forgiveness and sustaining employee's psychological well-being. The issue of offence

frequency is also considered in a number of studies on forgiveness (e.g.,Maio, Thomas, Fincham, & Carnelley, 2008). As such, to account for these alternative explanations, in Study 3 we explicitly measured offense severity and offense frequency and controlled for their effects in subsequent analyses.

Procedure and participants

Participants were recruited via the mTurk Prime platform (Litman, Robinson, & Abberbock, 2017). Participants were 18-65 years old U.S. citizens who had at least 6 months' work experience in the U.S. and did not change their team or manager over the course of data collection (4 weeks). In Time 1 (November 2018), 500 respondents completed a survey which included LMX quality, forgiveness climate and control variables. The survey also included an attention check question (Oppenheimer, Meyvis, & Davidenko, 2009). 37 respondents failed to pass the attention check, thus 463 respondents were invited to participate in Time 2 which was administered two weeks later. This survey collected data on forgiveness and relational efforts. In total, 298 respondents completed the second survey with six respondents this time failing to pass an attention check and were therefore excluded from further data collection. Finally, 292 respondents were invited to participate in Time 3 which took place 2 weeks after the second survey and collected data on job satisfaction and subjective well-being.

In total, 265 respondents completed the third survey. After removing 3 respondents who failed the attention check, there were 262 respondents who completed all three questionnaires, representing a 52.4% response rate (56.1% males, 43.9% females, mean age = 35.64, SD=9.18, 91% worked full-time). Respondents indicated their ethnicity as follows: 79% white, 11.5% African-American, 4.2% Asian, 2.3 mixed, and 3.1% other. Respondents, on average, spent 3.5 years with their manager (dyadic tenure in months mean = 43.88, SD=39.38) and 4.8 years with their organization (months mean = 58.74, SD=57.08).

Respondents indicated that 68.7% of their managers were male, mean age = 45.01, SD = 9.55, while their managers' ethnicities were as follows: 68.7% male, 83.6% white, 9.2% African-American, 3.1% mixed, 1.9% Asian, and 2.3% other.

Measures

LMX quality, forgiveness, relational efforts, job satisfaction and subjective well-being were measured with the scales used in Study 1. *Forgiveness climate* was measured using a scale by Cox (2008). Namely, four items from the factor that represented a forgiving climate adequately were used and responses were scored on a 5-point scale (1= strongly disagree, 5= strongly agree). A sample item was "We do not hold grudges". Cronbach's alpha was .90.

We controlled for respondents' age, gender, dyadic tenure with the current leader in months, leader's age and leader's gender. We also controlled for severity of offence with a single item "Considering the transgression(s) you experienced on behalf of your manager, please indicate how serious they were." Responses were scored on a 10-point scale (1=*not serious at all*, 10=*extremely serious*), as was the case with previous studies (e.g., Aquino et al., 2006). Frequency of offence was also controlled for with a single item "How often does your manager commit these kinds of transgression(s) against you? (e.g., Maio et al., 2008)". Responses were scored on 6-point scale (1=*Almost never, it happened only once,* 6=*very frequently).*

Results and Discussion

Measurement model

Due to the limited sample size, we were not able to perform a complete item-level CFA (see Wang, Demerouti, & Le Blanc, 2017). Instead we assessed a partially disaggregated measurement model (Bagozzi & Edwards, 1998) using parcels of items (Hall, Snell, & Foust, 1999). Forgiveness was modelled as a latent factor with 3 indicators (avoidance, benevolence, retaliation). Given the unidimensional structure of each of the remaining

constructs, we opted for a random disaggregation strategy for parcel creation (Holt, 2004; Kishton & Widaman, 1994). State self-esteem was modelled with 4 randomly created parcels each containing 5 items. Positive and negative affect were modelled with 3 randomly created parcels each containing three, three and four items, respectively. The measurement model showed an acceptable fit (X^2 (467, N = 481) = 1281.91, p =.000; X^2/df = 2.75; CFI = .91, TLI = .90; RMSEA = .06, SRMR = .10. Table 7 outlines the means, standard deviations, correlations, and reliability estimates for Study 3 variables.

Insert Table 7 about here

Main Analysis

As shown in Table 8, regression analysis using Mplus showed a positive association from LMX quality to forgiveness two weeks later (b = 0.19, SE = 0.07, p <.01), thus supporting Hypothesis 1. There was a positive link from forgiveness to relational efforts (b = 0.60, SE = 0.06, p <.01), thus supporting Hypothesis 2. Relational effort was positively linked to job satisfaction (b = 0.34, SE = 0.14, p <.01), state self-esteem (b = 0.44, SE = 0.05, p <.05), and negatively related to negative affect (b = -0.35, SE = 0.06, p <.01*)* two weeks later. The link from relational efforts to positive affect was not significant (b = 0.06, SE = 0.06, p = *n.s.*).

Forgiveness was further shown to have a positive indirect effect on job satisfaction (b = 0.22, SE = 0.00, 95% bias-corrected CIs [0.05, 0.40]), state self-esteem, (b = 0.28, SE = 0.05, 95% bias-corrected CIs [0.21, 0.38]), and a negative indirect effect on negative affect (b = -0.22, SE = 0.04, 95% bias-corrected CIs [-0.32, -0.15]) via relational efforts two weeks later. The indirect effect on positive affect was non-significant (b = 0.04, SE = 0.04, 95% bias-corrected CIs [-0.03, 0.12]). Thus, Hypothesis 3 was generally supported.

LMX quality was also shown to have a positive indirect effect on job satisfaction (b = 0.04, SE = 0.02, 95% bias-corrected CIs [0.01, 0.09]), state self-esteem, (b = 0.06, SE =

0.02, 95% bias-corrected CIs [0.03, 0.09]), and a negative indirect effect on negative affect (b = -0.05, SE = 0.01, 95% bias-corrected CIs [-0.08, -0.03]) via relational efforts and forgiveness four weeks later. The indirect effect on positive affect was non-significant (b = 0.01, SE = 0.01, 95% bias-corrected CIs [-0.01, 0.03]). Therefore, Hypothesis 4 was partially supported.

Forgiveness climate was found to moderate the relationship from LMX quality to forgiveness two weeks later (*b* = 0.13, *SE* = 0.05), thus supporting Hypothesis 5. Simple slope analyses showed that LMX had a positive relation with forgiveness when forgiveness climate was high (estimate= .31, SE = .07, t = 3.99 p < .01) but was not related to forgiveness when forgiveness climate was low (estimate= .06, SE = .08, t = 0.65 p > .05).

As indicated in Figure 3, high LMX followers were more forgiving when forgiveness climate was high rather than low. To test hypothesis 6, we used Bauer, Preacher, and Gil (2006)'s approach to estimate the conditional indirect association of LMX quality on job satisfaction and subjective well-being via forgiveness and relational effort at high (+ 1 standard deviation) and low (-1 standard deviation) values of forgiveness climate as a moderator. The results showed that the indirect effect of LMX on job satisfaction was stronger when forgiveness climate was high (estimate = .07, SE = .03, p < .05) compared to when forgiveness climate was low (estimate = .012, SE = .02, p = n.s.). Moreover, bootstrapping results revealed that the indirect effect from LMX quality to job satisfaction (through forgiveness and relational efforts) was significant at high levels (95% CI = [.018, .148]) but not significant at low levels (95% CI = [-.02, .064]).

Furthermore, the indirect effect of LMX on state self-esteem was stronger when forgiveness climate was high (estimate = .08, SE = .03, p < .01) compared to when forgiveness climate was low (estimate = .016, SE = .02, p = n.s.). Moreover, bootstrapping results revealed that the indirect effect from LMX quality to state self-esteem (through

forgiveness and relational efforts) was significant at high levels (95% CI = [.047, .150]) but not significant at low levels (95% CI = [-.032, .064]). No significant effects were found for the indirect effect of LMX on positive affect for either high (estimate = .012, SE = .012, p = n.s.) or low levels of forgiveness climate (estimate = .002, SE = .005, p = n.s.). Finally, the indirect effect of LMX on negative affect was stronger when forgiveness climate was high (estimate = -.069, SE = .02, $p < .01$) compared to when forgiveness climate was low (estimate = -.012, SE = .02, p = n.s.). Moreover, bootstrapping results revealed that the indirect effect from LMX quality to negative affect (through forgiveness and relational efforts) was significant at high levels (95% CI = [-.124, -.035]) but not significant at low levels (95% CI = [-.052, .024]). Overall, with regards to Hypothesis 6, our results showed that forgiveness climate moderated the indirect effect of follower LMX quality on job satisfaction, state self-esteem and negative affect but not positive affect. Thus Hypothesis 6 was partially supported.

Insert Table 8 about here

Insert Figure 3 about here

Study 3 provides general support for our hypotheses. By testing our conceptual model in a unified framework and by using a time-lagged design in this study, we overcome some of the limitations of Study 1 and Study 2.

General Discussion

In this research we investigated forgiveness as a relationship maintenance process in LMX relationships, along with an important boundary condition and its outcomes. Of importance, there was general support for our hypothesized process model, especially in Study 3 which provided a time-lagged test of the unified model. More specifically, across both experimental (Study 2) and field (Study 1 & Study 3) studies, LMX quality positively

predicted follower forgiveness. Moreover, in both Studies 1 and 3 higher follower forgiveness led to greater relational efforts, which in turn led to enhanced job satisfaction and well-being. In addition, across both studies the moderating role of forgiveness climate had a significant impact, albeit with a contrasting pattern of results. Specifically, the existence of a high forgiveness climate enhanced the positive impact of LMX quality on forgiveness, in Study 3, but not in Study 2 (which was marginally significant). In contrast, the presence of a low forgiveness climate weakened the LMX-forgiveness relationship in Study 3 (but not in Study 2). It is possible that this contrasting pattern of results may be due to either differences in the magnitude and frequency of the transgressions or methodological factors such as variation in study design and sample size. Of importance in Study 3 is the finding that when we controlled for the severity and frequency of offenses, we found clearer support for the expected amplifying effect of a strong forgiveness climate on the LMX quality-forgiveness relationship. We further tested a moderated-mediation model and forgiveness climate was found to moderate the indirect effect of LMX on job satisfaction, state self-esteem and negative affect via forgiveness and relationship effort. Thus, Study 3 offered a more nuanced understanding of the role of forgiveness climate as a boundary condition. Nevertheless, there is a clear need for research to test further the moderating role of forgiveness climate on the LMX-forgiveness relationship.

Overall, the findings demonstrate that LMX relationships are vulnerable to interpersonal transgressions and that forgiveness could be used as a relationship maintenance strategy that yields positive outcomes. Below, we discuss the theoretical and practical implications of this research and identify limitations and areas for further study.

Theoretical Implications and Future Research

The current research makes a number of theoretical contributions to both the LMX and forgiveness literatures. Theoretically, the research draws on the close relationships literature and provides novel insights on relationship-based approaches to leadership. In

doing so, the current research provides empirical evidence for the integration of the LMX and forgiveness literatures (Thomas et al., 2013). Furthermore, drawing upon three key theoretical frameworks, namely LMX theory (Dansereau, Graen, & Haga, 1975), the model of forgiveness in close relationships (Braithwaite et al., 2011), and commitment and relationships maintenance mechanisms frameworks (Rusbult et al., 2001), this research enhanced our understanding of forgiveness as a relationship maintenance mechanism in leader-follower relationships. Additionally, group- and organizational-level interpersonal orientation (i.e., forgiveness climate) (Rusbult & Van Lange, 1996) operated as a boundary condition and thus enhanced forgiveness in leader-follower relationships. Overall, it was found that high-quality LMX relationships lead to enhanced forgiveness, which, in turn, resulted in positive outcomes.

Another theoretical implication of the current research is that it addresses the evolution of LMX theory by tapping into Graen and Uhl-Bien's (1995) third stage of LMX research, namely, the depiction of dyadic partnership building. This was accomplished through two field studies (Study 1 and 3) which identified forgiveness as a key LMX relationship maintenance mechanism following an interpersonal transgression. In doing so, the current research demonstrates that LMX relationships do have their ups and downs, reiterating the presence of the "black box" of LMX research (Rousseau, 1998). Additionally, the current research addresses the fourth stage of LMX development which acknowledges that LMX relationships do not evolve in isolation but in a broader organizational context. Indeed, the examination of the moderating influence of forgiveness climate is possible only when the referent is a group or an organization.

Another notable point regarding the theoretical insight into LMX theory involves our understanding of the follower's role in LMX. Namely, the LMX literature has paid minimal attention to the role that members may assume in the development of the LMX relationship.

Therefore, the focus on member's relational efforts represents a significant departure from mainstream LMX research. Consistent with the recent tendency towards followership approaches (Barling, Christie, & Hoption, 2010; Uhl-Bien, Riggio, Lowe, & Carsten, 2014), the current research provides a novel insight into the relationship maintenance acts of followers. The findings demonstrate that the member in the dyad has the power to shape their relationship quality through forgiving interpersonal offenses and engaging in relational efforts. Researchers are increasingly recognizing the potentially key role of members may play in determining organizational effectiveness (Shamir & Lapidot, 2003), and this research provides insights into this stimulating line of inquiry.

The current research considers the member's perspective which has theoretical implications for the forgiveness literature. The findings suggest that followers in high-quality LMX relationships are likely to forgive leader's transgressions and engage in relational efforts. It is possible that the findings would be different if the leader's perspective was considered. The rationale for such a suggestion is derived from the notion of power differentials in LMX relationships. Namely, leader's status implies that they are less dependent upon the follower, and thus less vulnerable. Furthermore, the nature of the organizational context provides the leader with resources, information, tasks, and decision-making power regarding hiring, promoting and laying off subordinates. Consequently, it may be that leaders are less willing to forgive follower's transgression and engage in relational efforts. This is an interesting question for future research.

Another contribution of the research involves the investigation of how forgiveness leads to important individual outcomes. Braithwaite et al. (2011) identified relational efforts as a mediating mechanism through which forgiveness leads to positive outcome in close relationships. The current research showed that the influence of forgiveness on job satisfaction (Cox, 2011) and subjective well-being (Karremans et al., 2003) is indirect,

operating via relational efforts. To our knowledge, this is the first study to empirically test this mediating mechanism in LMX relationships. Therefore, the research contributes to the close relationships literature by demonstrating that mechanisms from Rusbult et al.'s (2001) framework operate in the leader-follower domain. Further, the research contributes to the LMX literature by showing that positive outcomes are achievable even when LMX relationships have been damaged. In particular, this implies that LMX relationships are vulnerable to interpersonal transgressions and that forgiveness could be used as an effective relationship maintenance strategy. Moving forward future research may look to explore other, complementary processes, operating alongside relational efforts which serve to facilitate the forgiveness process in leader-follower relationships. Drawing from the trust and trust repair literature may prove fruitful in this regard. Trust repair researchers have examined several other relationship repair and maintenance strategies such as apology, confession and explanation as well as reticence, deception and denial (e.g., Ferrin, Kim, Cooper, & Dirks, 2007; Kim, Dirks, Cooper, & Ferrin, 2006; Kim, Ferrin, Cooper, & Dirks, 2004). A future integration of forgiveness and trust repair literatures can offer unique insights on LMX relationship development mechanisms.

Implications for Practice

In general, organizations should implement training and LMX interventions to encourage leaders and members to build high quality social exchange relationships (e.g., Scandura & Graen, 1984). Nevertheless, since transgressions are inevitable, organizations should promote forgiveness as a coping strategy. Specifically, managers and HR representatives should facilitate forgiveness by adopting interventions from psychotherapy and family therapy into their organizational context (e.g., Enright & Fitzgibbons, 2000; Worthington, 2006; Worthington, Jennings, & DiBlasio, 2010)

While interventions and training might be available to a select few, organizational climate as an overarching mechanism of values, attributes and practices reaches out to all employees irrespective of their position in the organization. Therefore, it is in an organization's interest to create environments that encourage forgiveness and relationship repair across all levels of their hierarchy. Despite the above suggestions, caution is needed. Organizational climates should not encourage individuals to be forgiving without holding the offenders to a certain level or standard of accountability (Cox, 2011). Even though forgiveness research has been focused on its positive outcomes, it is important for the field to be aware of potential adverse effects of forgiveness (Fincham, 2015) such as tolerating violence (Gordon, Burton, & Porter, 2004; McNulty, 2010).

Strengths, Limitations and Concluding Remarks

The current research has some notable strengths. The inclusion of three studies provides support for our hypothesized process model of forgiveness in LMX relationships across multiple samples and complementary methods. Notably, Study 3 provides a time-lagged test of the unified conceptual model. Despite this, the research was not without limitations. A pertinent limitation of Study 1 was the cross-sectional design. Cross-sectional designs are a concern as they preclude inferences of the causal relationship between LMX and forgiveness. Nevertheless, the use of an experimental method (Study 2) and a temporally-ordered design in Study 3, although not definitive, gives added confidence as to how the process of forgiveness unfolds in LMX relationships. A further concern was the fact that the data was collected from a single source, however the perceptual and subjective nature of concepts such as LMX quality, forgiveness, job satisfaction and subjective well-being means that they cannot be meaningfully assessed using sources other than focal respondents. There are also endogeneity concerns (Antonakis, Bendahan, Jacquart, & Lalive, 2010) associated

with Study 1 given that the independent variables examined are endogenous. Employing an experimental design in Study 2 helps to alleviates some of the concerns above but there are still limitations associated with it. Even though the random assignment in the experimental study provided strong internal validity of the findings, the proposed relationships were examined in a hypothetical setting, where both LMX and forgiveness climate were manipulated using scenarios. Indeed, the use of scenarios could limit the realism of events for participants, particularly regarding the experience of a workplace offense. Nevertheless, the results of the offense realism check suggest that participants perceived the situation described as realistic, as was the case in previous studies (Wagner et al., 2009; Yi et al., 2011).

Another limitation of the experimental study concerns the somewhat low sample size and the use of an undergraduate student sample, rather than employees. Nevertheless, it should be noted that the use of student sample in scenario studies is a common practice (e.g., Cerne et al., 2014; Chen, 2013; Stouten & Tripp, 2009). Leadership research has shown that the results are replicated when both student and field samples were used (Van Knippenberg & Van Knippenberg, 2005). Importantly, the findings of the scenario study complement the findings of the field study which was drawn from a diverse organizational sample. Future studies should examine forgiveness in LMX relationships by taking a closer look into culture, sector and organizational differences. Also, time is an important parameter with regards to relationship development and needs in-depth exploration in future studies (Day, 2014; Day & Sin, 2011). Despite the time-lagged nature of our Study 3, the dynamic process of LMX relationship development after a transgression could not be captured. Future studies should employ longitudinal, latent growth model designs to address temporal aspects of the LMX-forgiveness relationship.

In closing, three studies demonstrated that high quality LMX relationships enable followers to feel invested into the relationship, which enables them to forgive their leader.

Forgiveness in turn, leads to relational efforts which subsequently enhance followers' job satisfaction and subjective well-being. Additionally, forgiveness climate enhances followers' forgiveness, especially in high-quality LMX relationships. Our results extend our knowledge of both the leadership and forgiveness domains and pave the way for further research.

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Table 1. Confirmatory Factor Analysis of the Forgiveness Scale (Study 1)

Model	*df*	X^2	X^2/ *df*	CFI	TLI	RMSEA	SRMR
Second order CFA	24	37.70	1.57	.98	.98	.04	.03
Three-factor model	24	37.70	1.57	.98	.98	.04	.03
Two-factor model	25	278.37	11.13	.77	.67	.19	.11
Single-factor model	27	669.330	24.79	.42	.23	.29	.18

Note: *N*=274. CFI, Comparative Fit Index; TLI, Tucker–Lewis Index; RMSEA, Root Mean Square Error of Approximation; SRMR, Standardized Root Mean Square Residual. A second-order CFA represents forgiveness as a latent factor since it allows the three factors of forgiveness (avoidance, benevolence, retaliation) to load on one higher-order factor. The three-factor model allows LMX and relationship effort to load on a single factor and subdimensions of forgiveness to load on a general forgiveness factor. The two-factor model combines avoidance and retaliation as one factor and benevolence represents the second factor. The single-factor model combines all three dimensions.

Table 2. Measurement Model Results (Study 1)

Measurement model	***df***	X^2	X^2/ ***df***	**CFI**	**TLI**	**RMSEA**	**SRMR**
Three-factor model	203	413.976	2.04	.93	.92	.06	.06
Two-factor model	206	1045.780	5.07	.74	.70	.12	.10
Single-factor model	209	1713.031	8.19	.53	.48	.16	.14

Note: N=274. The three-factor model allows the items of LMX to load on a single factor, the items of relationship effort to load on a single factor, and subdimensions of forgiveness to load on a general forgiveness factor. The two-factor model allows the items of LMX and relationship effort to load on a single factor and subdimensions of forgiveness to load on a general forgiveness factor. The single factor model combines LMX, forgiveness and relationship effort as a single factor.

Table 3. Means, Standard Deviations, Intercorrelations, and Scale Reliabilities (Study 1)

Variables		Mean	SD	1	2	3	4	5	6	7	8	9	10
1.	Age	43.18	10.69	-									
2.	Gender[a]	0.65	0.48	.12	-								
3.	Dyadic tenure	44.83	50.34	.20**	- .03	-							
4.	Collectivism	3.50	0.62	.16*	.15*	- .02	**(.78)**						
5.	Power distance	2.28	0.62	.14*	.11	.17**	.23**	**(.73)**					
6.	Uncertainty avoidance	4.13	0.53	.05	.09	- .02	.24**	.10	**(.82)**				
7.	Social desirability	1.34	0.14	- .02	.15*	- .11	.06	.01	- .06	**(.65)**			
8.	LMX	5.48	1.13	- .04	.05	.04	.14*	.00	.10	.11	**(.92)**		
9.	Forgiveness	4.60	0.74	- .07	- .09	- .09	- .02	- .23**	.11	.18**	.43**	**(.78)**	
10.	Relationship effort	3.93	0.77	- .12	- .06	- .04	- .02	- .23**	.01	.07	.30**	.48**	**(.80)**
11.	Job satisfaction	5.80	1.09	.04	-.03	- .07	.16*	- .09	.10	.16*	.27**	.35**	.34**
12.	State self-esteem	3.87	0.45	.04	.10	.05	.21**	.04	.12	.08	.12	.21**	.36**
13.	Positive affect	3.52	0.57	- .06	-.06	- .03	.18**	-.09	.20**	.02	.20**	.26**	.30**

	Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10
14.	Negative affect	1.73	0.60	.00	- .08	.07	- .02	.11	- .06	- .33**	- .16*	- .24**	- .31**
15.	Satisfaction with life	4.43	1.28	- .14*	- .08	.02	.17**	.03	.17**	.02	.20**	.22**	.12

	Variables	Mean	SD	11	12	13	14	15
11.	Job satisfaction	5.80	1.09	**(.82)**				
12.	State self-esteem	3.87	0.45	.30**	**(.84)**			
13.	Positive affect	3.52	0.57	.42**	.31**	**(.83)**		
14.	Negative affect	1.73	0.60	- .30**	- .50**	- .09	**(.88)**	
15.	Satisfaction with life	4.43	1.28	.27**	.33**	.40**	- .28**	**(.87)**

N = 254 ** $p < .01$ * $p < .05$ (2-tailed). [a]1 = male, 0 = female

Table 4. Estimates, Standard Errors, and Model Information for the Model Which Includes All Four Outcomes (Study 1)

		Consequent										
		Forgiveness (*M1*)				Relationship effort (*M2*)				Job satisfaction (*Y1*)		
Antecedent		Estim.	SE	*p*		Estim.	SE	*p*		Estim.	SE	*p*
LMX (*X*)	$a_1 \rightarrow$	0.272	0.044	.000	$d_2 \rightarrow$	0.083	0.044	.062	$c_1' \rightarrow$	0.110	0.067	.102
Forgiveness (*M1*)					$d_1 \rightarrow$	0.422	0.074	.000	$b_1 \rightarrow$	0.253	0.103	.014
Relationship effort (*M2*)									$b_2 \rightarrow$	0.297	0.102	.004
Constant	$i_{M1} \rightarrow$	2.241	0.598	.000	$i_{M2} \rightarrow$	2.400	0.712	.001	$i_{y1} \rightarrow$	0.539	1.040	.605
Gender (*U1*)		-0.170	0.086	.047		-0.015	0.089	.869		-0.114	0.137	.406
Age (*U2*)		0.000	0.004	.905		-0.006	0.004	.195		0.008	0.006	.171
Dyadic tenure (*U3*)		-0.001	0.001	.290		0.000	0.001	.720		-0.001	0.001	.401
Power distance (*U4*)		-0.247	0.081	.002		-0.165	0.081	.040		-0.067	0.095	.476
Uncertainty avoidance (*U5*)		0.164	0.077	.032		-0.053	0.085	.534		0.085	0.140	.545
Collectivism (*U6*)		-0.064	0.074	.386		0.033	0.075	.663		0.237	0.115	.039
Social desirability (*U7*)		0.822	0.295	.005		-0.105	0.318	.741		0.805	0.487	.099
		$R^2 = 0.276$				$R^2 = 0.269$				$R^2 = 0.215$		

		Consequent									
		State self-esteem (*Y2*)				Positive affect (*Y3*)				Negative affect (*Y4*)	
Antecedent		Estim.	SE	*p*		Estim.	SE	*p*		Estim.	SE	*p*
LMX (*X*)	c_2' →	-0.027	0.024	.264	c_3' →	0.032	0.032	.306	c_4' →	-0.014	0.031	.648
Forgiveness (*M1*)	c_1 →	0.052	0.046	.264	e_1 →	0.072	0.059	.223	f_1 →	-0.033	0.060	.577
Relationship effort (*M2*)	c_2 →	0.213	0.042	.000	e_2 →	0.159	0.058	.006	f_2 →	-0.201	0.053	.000
Constant	i_{y2}→	1.874	0.365	.000	i_{y2}→	1.470	0.541	.007	i_{y4}→	4.836	0.539	.000
Gender (*U1*)		0.085	0.060	.161		-0.073	0.072	.308		-0.058	0.075	.438
Age (*U2*)		0.001	0.002	.745		-0.002	0.004	.564		-0.002	0.004	.501
Dyadic tenure (*U3*)		0.001	0.000	.205		0.000	0.001	.947		0.000	0.001	.675
Power distance (*U4*)		0.050	0.046	.275		-0.060	0.060	.316		0.049	0.064	.448
Uncertainty avoidance (*U5*)		0.050	0.049	.312		0.165	0.078	.034		-0.079	0.068	.246
Collectivism (*U6*)		0.133	0.050	.008		0.158	0.057	.005		0.011	0.060	.853
Social desirability (*U7*)		0.120	0.174	.490		-0.034	0.255	.895		-1.327	0.290	.000
N=254		R^2 = 0.208				R^2 = 0.174				R^2 = 0.208		

Table 5. LMX Relationship Quality Manipulation (Study 2)

Please imagine that you are an employee in an international manufacturing company. You work in Marketing & Sales in a team that consists of 5 team members; Elizabeth, Bob, Steve and Susan. All of you are supervised by Pat Smith, the Sales Manager.

High LMX quality

You and your manager Pat have a very good working relationship. Pat sees that you are willing to put extra effort in and do things that are over and beyond your job description. You often do tasks that help Pat meet work targets even if that requires working over the weekends or during holidays. Pat seems to trust you and rely on you in difficult situations. For that reason, you are willing to work your hardest for Pat. Pat assigns you to do interesting tasks and gives you autonomy in decision-making. Recently you made an honest error and Pat defended you in front of senior management, even though Pat was not fully aware of the reasons behind the error when senior management asked for an explanation.

In your opinion, Pat is one of the best salespeople in the company. Pat is willing to spend personal time giving you tips and tricks on how to acquire and manage clients. You admire Pat's knowledge and competence. One day you hope to manage your own team of salespeople and would look to apply Pat's marketing strategy. It seems that you and Pat get on really well. You often engage in informal chatting and you find working with Pat to be fun. Pat has a friendly, relaxed attitude. Pat often invites you to attend social events. Pat is the kind of person you would like to have as a friend and you are making efforts to get to know Pat better.

Low LMX quality

You and your manager Pat do not have a very good working relationship. Pat sees that you are not willing to put extra effort in and that you mainly stick to your job description. You never do tasks that help Pat meet work targets because that requires working over weekends or during holidays. Pat does not seem to trust you nor rely on you in difficult situations. For that reason, you are not willing to work your hardest for Pat. Pat assigns you to do less interesting tasks and expects you to get approval before making a decision. Recently you made an honest error and Pat did not defend you in front of senior management as Pat was not fully aware of the reasons behind the error when senior management asked for an explanation.

In your opinion, Pat is one of the poorest salespeople in the company. Pat is not willing to spend any personal time giving you tips and tricks on how to acquire and manage clients. You do not have much respect for Pat's knowledge nor competence. One day you hope to manage your own team of salespeople and would look to apply a completely different marketing strategy. You and Pat do not seem to get on very well. You rarely engage in informal chatting and you do not find working with Pat to be fun. Pat has a formal, reserved attitude. Pat never invites you to attend social events. Pat is not the kind of person you would like to have as a friend and you are not making efforts to get to know Pat better.

Items:

- I feel I know where I stand with my manager Pat. I know how satisfied my manager Pat is with me.
- I feel that my manager Pat understands my problems and needs.
- My manager Pat recognizes my potential.

- Regardless of how much formal authority my manager Pat has, Pat would use this power to help solve problems in my work.
- Regardless of how much formal authority my manager Pat has, Pat would "bail me out," even at Pat's own expense.
- I have enough confidence in my manager Pat that I would defend and justify Pat's decision if Pat were not present to do so.
- I would characterize my working relationship with my manager Pat as very good.

Table 6. Forgiveness Climate Manipulation (Study 2)

High forgiveness climate

After learning about this offense, the HR director had a meeting with the senior management team and discussed the issue. Acting as the representative of the senior management team and the organization, the HR director arranged a special meeting with you and Pat in order to resolve the situation. During the discussions, everyone presented their views and remained patient and calm. The HR director stated that a mistake was made, but that anyone can make mistakes. You were informed at this meeting that the senior management team has decided to introduce a new self-assessment system that more transparently shows everyone's contribution to a project.

As a result of the discussion between you, Pat and the HR director, it was decided that the £5,000 bonus be split amongst you and Pat. Also, it was decided that Pat would continue to manage the Sales team. The HR director emphasized the importance of forgiving and encouraged you and Pat to continue working together. The HR director offered for you to take part in the organization's employees support program that is part of the organization's benefits to the employees which can help you overcome this situation and forgive Pat.

Low forgiveness climate

After learning about this offense, the HR director had a meeting with the senior management team and discussed the issue. Acting as the representative of the senior management team and the organization, the HR director arranged a special meeting with you and Pat in order to resolve the situation. During the discussions, everyone presented their views and appeared to be impatient and tense. The HR director stated that a mistake was made, and that people should be held accountable for their mistakes. You were informed at this meeting that the senior management team considered introducing a new self-assessment system that more transparently shows everyone's contribution to a project.

However, the senior management did not follow through this idea.

As a result of the discussion between you, Pat, and the HR director, it was decided that you would not be compensated for the work you did because there was not enough proof that you put in as much effort. Also, it was decided that Pat would be under disciplinary procedures for the time being. The HR director acknowledged that it may be hard to forgive and to work with Pat in the future. The HR director said that the organization does not have its own employees' support program that could help you overcome this situation and forgive Pat. Instead, the HR director advised you to take part in other external support programs but that the organization cannot cover the cost of the programs for you.

Items:

This organization:

- Encourages the employees to remain patient and in self-control.
- Encourages forgiveness.
- Facilitates relationship repair.
- Shows interest in employees' concerns and helped them with their struggles.
- Restores the victim's dignity through compensation, apology and other reparations.
- Reintegrates the offender into the organization.
- Provides employee support programs that facilitate forgiveness.

Table 7. Means, Standard Deviations, Intercorrelations, and Scale Reliabilities (Study 3)

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10
1. Follower age	35.64	9.18	-									
2. Follower gender[a]	1.44	0.49	.09	-								
3. Dyadic tenure	43.88	39.38	.32**	.08	-							
4. Leader age	45.01	9.55	.25**	.04	.21**	-						
5. Leader gender[a]	1.31	0.46	.02	.49**	.02	.01	-					
6. Offence severity	6.47	1.84	.02	.01	- .11	-.06	-.05	-				
7. Offence frequency	4.05	0.93	.04	.11	- .21**	-.09	.12	.51	-			
8. LMX T1	3.95	1.37	.10	-.08	.14*	.04	-.08	-.31	-.33	**(.92)**		
9. Forgiveness climate T1	3.45	0.94	.01	- .05	- .15*	.07	.03	-.16	-.26	.50*	**(.90)**	
10. Forgiveness T2	3.81	0.95	- .02	- .02	.15*	.08	- .04	-.29	-.32	.38*	.33	**(.84)**
11. Relational efforts T2	3.19	0.92	.08	.01	.21**	.10	-.04	-.27	-.35	.20**	.21	.63
12. Job satisfaction T3	4.75	1.72	.12	.01	.08	-.04	.08	-.19	-.16	.36	.38	.43
13. State self-esteem T3	3.68	0.82	.11	-.11	.16**	.09	-.06	-.12	-.22	.04**	.18	.38

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10
14. Positive affect T3	3.24	0.85	.08	- .12	-.01	-.08	-.04	.18	.02	.29	.28	.33
15. Negative affect T3	1.66	0.84	- .16**	-.02	-.26**	-.15*	-.03	.29**	.29	.10**	-.12*	-.31

Variables	Mean	SD	11	12	13	14	15
11. Relational efforts T2	3.19	0.92	**(.83)**				
12. Job satisfaction T3	4.75	1.72	.38**	**(.91)**			
13. State self-esteem T3	3.68	0.82	.58	.37	**(.94)**		
14. Positive affect T3	3.24	0.85	.19**	.42	.44	**(.92)**	
15. Negative affect T3	1.66	0.84	-.52**	-.29**	-.64	-.06**	**(.95)**

Note. N = 262 ** $p < .01$ * $p < .05$ (2-tailed). [a]1 = male, 0 = female. Cronbach's alphas are in parentheses on the diagonal. T1 = Time 1; T2 = Time 2; T3 = Time 3.

Table 8. Estimates, Standard Errors, and Model Information for the Model Which Includes All Four Outcomes (Study 3)

	Consequent											
	Forgiveness T2 (*M1*)				Relational efforts T2 (*M2*)				Job satisfaction T3 (*Y1*)			
Antecedent		Estim.	SE	*p*		Estim.	SE	*p*		Estim.	SE	*p*
LMX T1 (*X*)	$a_1 \rightarrow$	0.192	0.071	.007	$d_2 \rightarrow$	-0.116	0.054	.032	$c_1' \rightarrow$	0.426	0.100	.000
Forgiveness climate T1 *(W)*	$a_2 \rightarrow$	0.208	0.072	.004								
*X*W*	$a_3 \rightarrow$	0.133	0.047	.005								
Forgiveness T2 (*M1*)					$d_1 \rightarrow$	0.603	0.062	.000	$b_1 \rightarrow$	0.423	0.148	.004
Relational efforts T2 (*M2*)									$b_2 \rightarrow$	0.342	0.137	.012
Constant	$i_{M1} \rightarrow$	-0.067	0.059	.259	$i_{M2} \rightarrow$	0.001	0.047	.989	$i_{y1} \rightarrow$	4.757	0.090	.000
Follower age (*U1*)		-0.079	0.067	.240		0.095	0.047	.042		0.209	0.099	.034
Follower gender (*U2*)		0.055	0.068	.419		0.024	0.051	.641		-0.086	0.107	.418
Dyadic tenure (*U3*)		0.057	0.051	.263		0.063	0.044	.148		-0.062	0.108	.564
Leader age (*U4*)		0.056	0.060	.346		-0.004	0.049	.930		-0.208	0.097	.032
Leader gender (*U5*)		-0.068	0.070	.333		-0.016	0.051	.757		0.243	0.110	.027
Offence severity (*U6*)		-0.156	0.072	.029		-0.036	0.059	.546		-0.036	0.129	.778
Offence frequency (*U7*)		-0.104	0.070	.135		-0.173	0.057	.002		0.076	0.102	.460
		$R^2 = 0.250$				$R^2 = 0.450$				$R^2 = 0.298$		

Consequent

		State self-esteem T3 (*Y2*)				Positive affect T3 (*Y3*)				Negative affect T3 (*Y4*)		
Antecedent		Estim.	SE	*p*		Estim.	SE	*p*		Estim.	SE	*p*
LMX T1 (*X*)	c_2' →	-0.106	0.047	.024	c_3' →	0.238	0.050	.000	c_4' →	0.285	0.053	.000
Forgiveness climate T1 *(W)*												
*X*W*												
Forgiveness T2 (*M1*)	c_1 →	0.065	0.057	.251	e_1 →	0.265	0.062	.000	f_1 →	-0.056	0.055	.305
Relational efforts T2 (*M2*)	c_2 →	0.448	0.055	.000	e_2 →	0.061	0.058	.291	f_2 →	-0.354	0.059	.000
Constant	i_{y2}→	3.688	0.0410	.000	i_{y2}→	3.248	0.045	.000	i_{y4}→	1.663	0.041	.000
Follower age (*U1*)		0.066	0.040	.103		0.094	0.043	.030		-0.114	0.046	.013
Follower gender (*U2*)		-0.107	0.046	.019		-0.118	0.056	.035		0.036	0.045	.422
Dyadic tenure (*U3*)		0.023	0.043	.602		-0.052	0.047	.269		-0.095	0.038	.012
Leader age (*U4*)		0.010	0.041	.799		-0.093	0.047	.045		-0.028	0.040	.478
Leader gender (*U5*)		0.012	0.048	.803		0.074	0.057	.195		-0.033	0.044	.453
Offence severity (*U6*)		0.042	0.046	.356		0.307	0.049	.000		0.159	0.047	.001
Offence frequency (*U7*)		-0.046	0.048	.333		0.019	0.056	.736		0.099	0.049	.044
N=262		R^2 = 0.380				R^2 = 0.298				R^2 = 0.419		

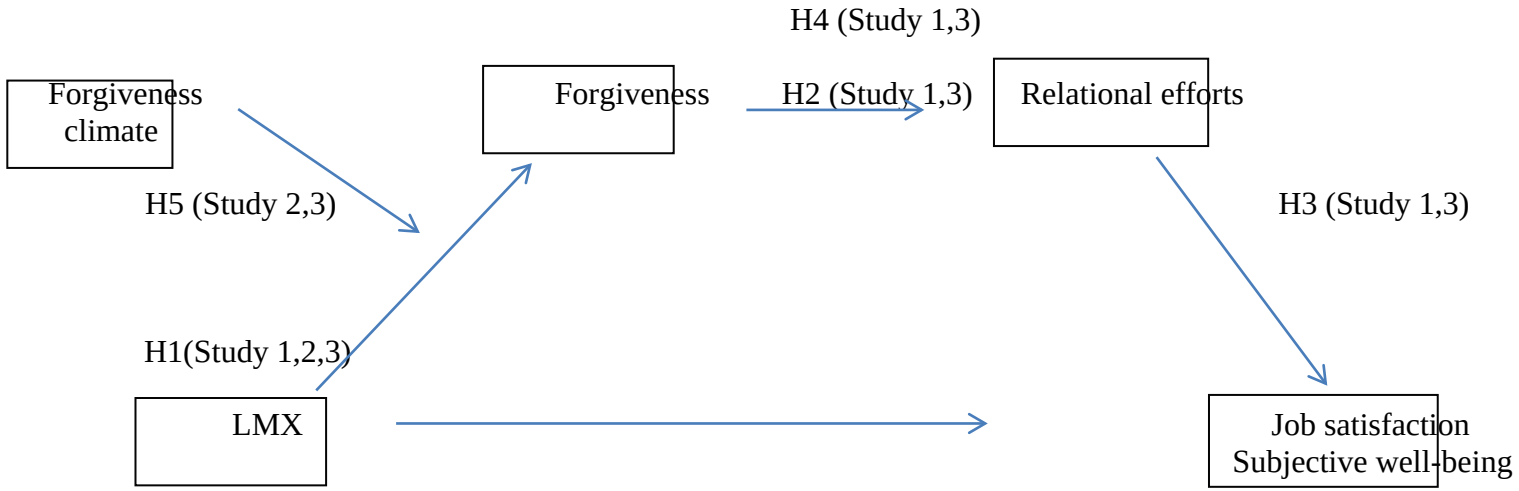
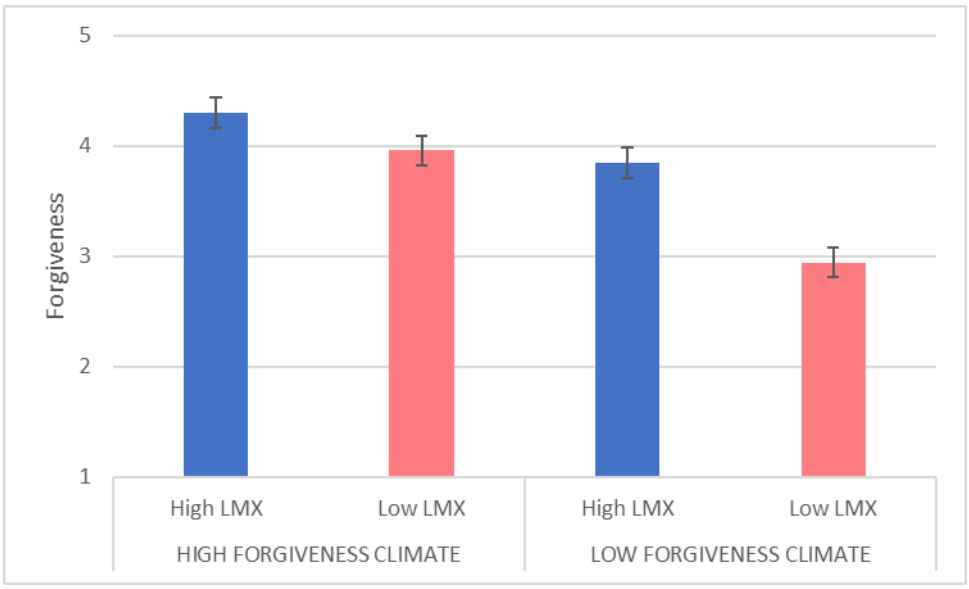


Figure 1. Conceptual Model



Note. N=93.

Figure 2. The effect of LMX X forgiveness climate on forgiveness (Study 2)

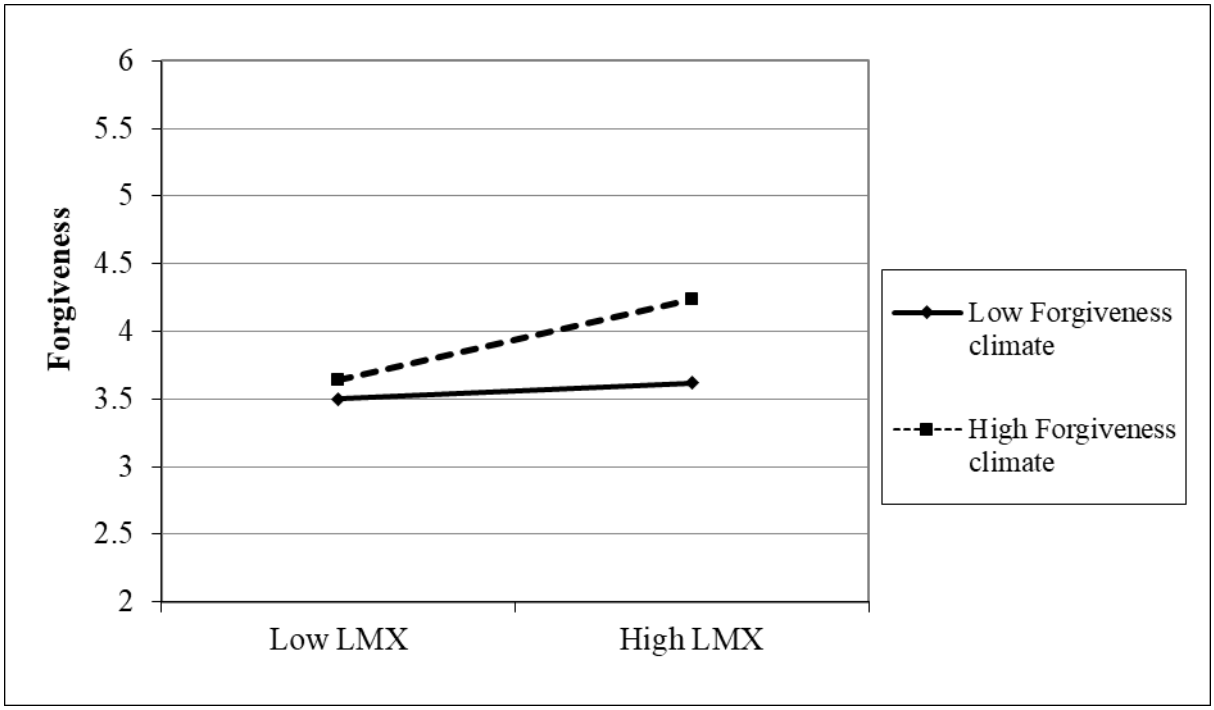


Figure 3: Interaction of LMX and forgiveness climate to predict follower forgiveness (Study 3)